GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4007
ANSWERED ON:09.08.2002
CALCULATION OF DEPB RATES FOR EXPORTERS
TARACHAND BHAGORA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the basis of calculation of Duty Entitlement Pass Book (DEPB) rates for exporters;

(b) whether Special Additional Duty (SAD) of 4% is now being debited against DEPB credit;

(c) whether this amount is debited from the credit available to the exporters at the time of its utilisation;

(d) if so, the impact of this retrograde measures on exports;

(e) whether his Ministry has sent any proposal to Ministry of Finance for withdrawal of this retrograde measure; and

(f) the response of Finance Ministry thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI RAJIV PRATAP RUDY)

(a): The Duty Entitlement Passbook (DEPB) rate is computed on the basis of the basic customs duty payable on deemed imports as per Standard Input Output Norms and the value addition achieved by export of such product.

(b) to (d): The imports effected under DEPB issued under Customs Notification 34/1997 dated. 7.4.97 gets exemption from Special Additional Duty (SAD). However, the imports effected under DEPB issued under Customs notification 45/2002 dated. 22.4.2002 does not get exemption from SAD and therefore element of SAD on imports has to be debited from the value of DEPB credit.The non -availability of exemption in respect of DEPB issued under Customs notification 45/2002 dated. 22.4.2002 has affected the market premium available on sale/ transfer of such DEPBs.

(e)&(f): Yes Sir. The proposal has been taken up with the Ministry of Finance, which is examining the same.